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Serving the American Public: Best Practices in Downsizing



Benchmarking Study Report

September 1997

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Defense Mapping Agency
Delta Air Lines
Department of Energy
Department of Labor
GTE Government Systems
Office of Personnel Management
Social Security Administration
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Executive Summary

When the history of the United States during the final 20 years of the 20th century is reviewed, one issue that will be seen as defining the American workforce for the period is downsizing and the loss of the perceived "social contract" of lifelong employment in the public and private sectors with a single employer. According to a March 1996 series of articles in the New York Times, "The Downsizing of America," more than 43 million jobs have been lost in the United States since 1979, affecting nearly one-third of all households.

Whether it is called downsizing, rightsizing, delayering, reduction in force, redundancy elimination, or any of a host of other terms, the expectation of lifelong employment with one employer has now become the exception rather than the rule. Both in the federal government and the private sector, the loss of that sense of security--combined with the familiar scenario in which the number of employees is reduced but

the amount of work remains unchanged--can have devastating effects on the remaining employees, otherwise known as the "survivors."

Providing improved service with fewer workers is the hallmark of a successful downsizing. A smaller federal government from which the American people obtain improved service is the essence of the Clinton Administration's goal of a government that "works better and costs less." To help achieve that goal, it is important to review and learn from the experiences of organizations that have downsized--and recognize that downsizing does not always achieve the intended results.

The fundamental reasons for downsizing in the federal government, and also among state and local governments, are different from those cited by organizations in the private sector. Private sector entities must reduce costs to remain competitive in an increasingly global economy and to maximize the returns of their shareholders. Public sector downsizings are primarily driven by budget reductions and technology improvements that allow fewer workers to do the same amount of work. The most recent--and the largest ever--federal workforce reduction stemmed from President Clinton and Vice President Gore's decision to reinvent the federal government by making it smaller and more efficient. Despite these different motivations for downsizing, the reactions and needs of the workers are the same across both public and private sectors. For this reason, much can be learned from the experiences of private--and public--organizations that have downsized in recent years.

Study Findings

Following are some of the highlights of the Downsizing Study Team's findings from our investigation of benchmarked organizations:

Senior leadership plays a vital role in downsizing. We found that successful downsizing resulted when senior leadership became involved early on in the process and continued to participate actively, remained visible and accessible, and was perceived by employees to be their source of communications concerning major downsizing actions.

Overcommunication is impossible during downsizing. We found that honest and open communication of what was happening to the organization during the downsizing is what employees most want from their organization's leadership. Moreover, the communication flow must be two way, with management listening to employees as well as the converse.

Planning for downsizing begins with getting the right people together. This includes senior leadership, human resource executives, and labor representatives; all of whom play key roles in strategic downsizing planning.

Information not normally required in an organization's day-to-day operations becomes critical during downsizing. For example, management requires information for planning and monitoring the staff reduction, and employees need information to help them decide on a course of action. Most of this information is supplied internally by human resource offices; additional information can be obtained from other organizations that have successfully downsized.

Successful planning for downsizing includes the development of business plans from various departments within the organization. Requiring each department within an organization to develop a business plan helps ensure that the managers of those departments are involved in the planning; it also builds support for the effort.

Identification of work processes that will not be needed in the future organization is vital to the success of the downsizing action. This identification effort also helps protect those processes that are key to the organization's future from being affected by the downsizing.

Incentives such as early retirement and buyouts work well and are popular with employees. Early retirement incentives allow employees to retire with either full or reduced pension benefits at an earlier age than normal; buyouts provide a lump sum payment to employees in exchange for their leaving the

organization voluntarily, regardless of whether they are eligible for early or regular retirement.

The use of multiple strategies and techniques to accomplish goals for downsizing helps to leverage the outcome. Our partners found that not all downsizing strategies worked exactly as planned, with some not working well at all and others exceeding expectations. The concurrent use of multiple strategies, therefore, helps ensure the success of the downsizing process.

Organizations that have successfully downsized provided career transition assistance to both separated and surviving employees. Among the services provided are career counseling, personal counseling, career/skill and career transition training, relocation assistance, outplacement assistance, resume--writing assistance, access to office equipment, paid time off, child care, financial counseling, and access to job fairs and to Internet job placement sites.

Monitoring progress is a chief component of successful downsizing. Those organizations that took the time to periodically review their procedures, learn from their mistakes as well as their successes, and incorporate what was learned from these periodic assessments into their downsizing procedures found that they could minimize adverse impact in ongoing downsizing processes and complete future downsizings in a more streamlined fashion.

Successful Downsizing Depends on the Survivors

A key conclusion of this report is that the success or failure of a downsized organization depends on the workforce remaining after the downsizing. A well-planned and -managed downsizing process, which the survivors perceive as having been fairly and humanely administered, promotes trust and faith in management and in the future of the organization among these employees and empowers them to provide improved service.

Introduction

Americans don't like big government much, and we want less of it wherever possible. But we also expect much from our government and have high aspirations for it.

Vice President Al Gore

While it is generally accepted that Americans want a smaller federal government, it is also true that they expect a lot from their government. The Federal Workforce Restructuring Act of 1994--which requires that federal employment levels be reduced by 272,900 during fiscal years 1994 through 1999--combined with budget-cutting measures, changing work processes, evolving technology, and eliminations of functions and programs will ensure a smaller workforce. The challenge federal managers face is organizing, training, and empowering that smaller workforce to deliver to the American people the services they want and deserve. At the same time, the downsizing process should maintain the dignity of the departing workers and the morale and productivity of the surviving workers.

Why It Is Important That Downsizing Be Successful

A distressing 80 percent of downsizers admit that the morale of their remaining employees has been mugged. These sullen, dispirited, hunkered-down folk, lest we forget, are the very people who are supposed to revitalize your enterprise and delight your customers.

Ronald Henkoff in Fortune,
January 10, 1994

Providing improved service with fewer workers is the hallmark of a successful downsizing. A smaller federal government from which the American people obtain improved service is the essence of the Clinton Administration's goal of a government that "works better and costs less." Unfortunately, downsizing has often been used as a one-shot method to achieve the singular goal of reducing payroll

costs. When this is an organization's approach, undesirable outcomes usually result.

In researching downsizing efforts in both the public and private sectors, our team found numerous examples of negative impacts on employee productivity and morale and on customer service and product quality. Furthermore, downsizing does not always achieve the intended goals. A leading human resource consulting company survey of restructuring practices among 531 large companies, conducted in 1993, revealed that although well over half of the companies surveyed achieved their goal of reducing costs and expenses, less than half achieved their goals of increased profitability, productivity, and customer satisfaction.

The American people cannot reasonably expect improved service from a demoralized workforce--one that has witnessed colleagues summarily dismissed by what are seen as unfeeling and unsympathetic managers and that lives with uncertainty about future reductions. Nor should the American people expect improved service from a workforce whose numbers have been reduced but for whom the way work is done and the amount of work to be done remain the same. Process improvements that compensate for workforce reductions often require systems modernization and increased automation. Therefore, long-term savings often depend on what can be a substantial upfront capital investment.

Used as a tool in an overall reengineering/ restructuring strategy, downsizing has been successfully accomplished in both private and public sector organizations. However, those successful organizations recognized downsizing for what it is: a management tool that must be used with other management tools to achieve the goals of reduced costs and improved service.

Successful Federal Government Downsizing: The Good News

We owe a tremendous debt to federal employees who have devoted their careers to public service. Because many of these employees have been or are likely to be separated from federal service as we downsize the government, I have directed the heads of departments and agencies to provide career transition assistance to support them as they search for other employment. It's important that we provide these services to the people who have made possible such dramatic changes in the federal government.

President Bill Clinton

Our study found a number of best practices associated with downsizing within the federal government. On September 12, 1995, President Clinton issued a memorandum requiring all executive branch agencies to develop career transition assistance programs to help their employees affected by reductions in force (RIFs) find other employment. Specifically, agencies must establish:

- programs to provide career transition services to the agency's surplus and displaced employees;
- policies for retraining displaced employees for new career opportunities; and
- policies that require the selection of a well-qualified surplus or displaced internal agency employee who applies for a vacant position in the local commuting area before selecting any other candidate from either within or outside the agency.

Although the Federal Workforce Restructuring Act of 1994 targets reductions over the 1993-99 period, some agencies began reductions prior to that time. Our literature search revealed numerous mentions of best practices associated with downsizing within the federal government.

- The Priority Placement Program is an automated system in use within one federal agency that matches employees who are scheduled to be separated with vacant positions for which they are qualified. Created in 1965, the program has placed over 100,000 employees. Supervisors reported in a survey that almost 99 percent were satisfied with the employees placed with them through this program.
- The same agency developed an automated registry that provides resumes of federal personnel and their spouses to some 14,000 registered employers upon request. Approximately 900,000 resumes a year are referred to employers.
- This agency also developed an electronic bulletin board of employer want ads available for

viewing by displaced personnel at sites worldwide. The agency is now examining the possible expansion of these programs to the federal sector at large.

In another example of federal best practices in the area of career transition, the Office of Personnel Management (OPM) makes several resources available to all federal agencies. For example, The Employee's Guide to Career Transition, dated January 1996, describes new career transition services that are available to help affected federal employees find jobs both within and outside the federal government.

Also, to prevent human resource specialists and managers from becoming overwhelmed by the tasks required in downsizing, and recognizing that needed skills and expertise may not be resident in each agency, OPM has developed a suite of downsizing services available to federal agencies on a reimbursable basis. These include:

- development of an agency-specific downsizing planning document,
- development of an agency-specific career transition program,
- technical assistance in RIF planning,
- development of an agency outplacement program,
- career center design assistance,
- individual career counseling, and
- planning and conducting job fairs.

While the development of a career transition assistance plan is important, our study found that career transition assistance is only one element of a downsizing plan. Downsizing plans should also include--among other elements--assessments of the current and future organizational structure, current workforce skills and competencies, and future workforce needs; and a communications plan.

The Study Design

We owe a special thanks to the people who have really made reinventing government work. The real heroes of reinvention are the men and women of the federal government at every rung on the ladder, the folks who work where the rubber meets the road. They have buckled down and made the downsizing process possible, and now they need our support. We will provide it to them as they take their talents and training to other parts of the federal government or to the private sector.

Vice President Al Gore

Why a benchmarking study on downsizing? Downsizing has become entrenched in American culture during the 1980s and 1990s. It is difficult to pick up a newspaper or magazine or tune in to a television news program that does not mention the topic in some way. Examples of successful downsizing among public and private sector organizations are not hard to find. Unfortunately, examples of unsuccessful downsizing are just as easily found.

Our study, and other studies on downsizing, found that many of the same elements that contributed to one organization's unsuccessful downsizing, such as poor planning and communication, can repeatedly be found in other organizations' experiences. The opportunity to learn from these organizations' experiences by identifying both best practices and lessons learned is significant and should not be overlooked by either public or private sector entities. This, combined with a new perspective on downsizing as one of many management tools that must be used together for effective and successful organizational restructuring and reengineering, makes the benchmarking study process particularly appropriate for this topic.

Benchmarking consortium. This study is one of a series of benchmarking studies chartered by Vice President Gore's National Performance Review. The President's Management Council, made up primarily by the Deputy Secretaries and their equivalents from the major federal departments and agencies, identified several potential topics for benchmarking studies. Eight federal agencies joined together in an interagency team to study the topic of downsizing.

Selection of partners. The team conducted an extensive literature search from which a substantial number of downsizing best practices were identified. The literature search was also used to develop a list of prospective partners consisting of organizations that have taken an active and positive role in minimizing the adverse effects of decisions to downsize. A questionnaire to guide our data collection was sent to our prospective partners. We obtained a mix of federal agencies and state and city governments, as well as a foreign government and several private sector companies--all of which had been recognized for best practices in some area of downsizing.

Based on availability, the team met with several best-in-class organizations. It was clear to us from the start that there was no single example of downsizing that could be used by all federal agencies. We recognized, however, that a considerable number of best practices associated with downsizing could be used by organizations to contribute to their success.

To help us examine downsizing processes at our own agencies, the team then took on the task of developing a model of federal government downsizing.

Downsizing Model

One of the team's first tasks was to look at how downsizing has been conducted within our own agencies. We found that most agencies relied on experience and lessons learned from previous downsizing experiences --rather than external benchmarking--to deal with current situations. The experience with restructuring and downsizing and the availability of written plans, procedures, and guidelines for downsizing processes varied greatly among agencies. This makes the development of a single, precise model of downsizing in the federal government impossible. However, based on the review of processes associated with downsizing within our own agencies, the team members developed a "generic" model of downsizing within the federal government. The figure on the following page depicts that model, which is described in the narrative below.

Receive notice. Notice that an agency will undergo downsizing may come in varying forms, including budget reductions or mandatory specified reductions in the number of employees, and from a variety of sources including Congress, the Office of Management and Budget, elsewhere within the executive branch, or internally as the result of agency reengineering/reinvention processes.

Assess impact. Once it is acknowledged that a reduction is likely, most agencies assess the impact of such cuts by:

- converting dollar cuts to full-time equivalents (FTEs),
- reviewing agency mission and goals to determine the best ways to continue to meet them in a restructured/downsized environment,
- preparing estimates of where best to apply FTE reductions (whether by program or location), and
- determining appropriate target date(s).

Implementation plan. The degree to which downsizing implementation strategies are applied is driven by the magnitude of the mandated reductions. Modest reductions are almost always accomplished by pro rata reductions across the affected agencies and are generally accommodated through attrition. Large workforce reductions, on the other hand, require planning involving multiple concurrent activities--including strategic planning, labor-management relations, communications, and human resources.

Strategic planning. The impact of downsizing should be incorporated into the organization's strategic plan to maintain a consistent understanding of the future of the organization and how it will get there. The degree to which this has been done among the agencies represented in our study varies greatly. When numeric goals are established for downsizing--as was done in the Federal Workforce Restructuring Act of 1994--it appears that downsizing drives the strategic planning process. However, when combined with targeted supervisory ratios and reductions identified by the National Performance Review to specific occupational groups, the goals actually represent workforce planning (decisions on

what the future workforce should look like) at the highest level of the executive branch.

Labor-management relations. Organizations with unions secure union involvement as early in the planning process as possible, and that involvement continues throughout the downsizing process. The union is an important participant in gaining employee acceptance of the changes that will be necessary as a result of the required cuts.

Communications. Communication--early and often--among management, employees, customers, and affected communities is a key ingredient in successful downsizing. The implementation plan should identify how this will be accomplished.

Human resources. The element involving the greatest use of resources in downsizing is the process for handling human resources. Typical activities in this area include:

- a workforce demographics review, to include retirement and other loss projections and assessments of the age, diversity, and skills of the workforce;
- assessment of available options to avoid involuntary separations, such as hiring freeze, buyouts, early retirement, retraining, and relocations;
- detailing FTE reductions by year, location, program, occupation, position, and person;
- conducting RIFs;
- providing career transition/job placement assistance;
- providing assistance for survivors of downsizing; and
- ensuring that an adequate retraining program is in place.

Functional reviews and process reengineering. Although some agencies conducted functional cross-cutting reviews in their efforts to reengineer processes, we found that, at most agencies, this has been done after the fact as a reaction to downsizing instead of employing reengineering in the planning process.

Monitoring. Most agencies include monitoring systems in downsizing plans, either in the form of preexisting reviews or reviews designed specifically to assess progress in achieving downsizing goals. Some agencies produce reports that can then be used as guides for future downsizing activities. Wherever the workforce reduction allows, human resource options are reviewed with annual budget preparation. A reassessment is done of the requirement for RIFs, and FTEs are reallocated among suborganizations.

Organization of This Report

In producing this report, our intention is to provide a compendium of best practices from which federal government agencies and other organizations can choose when developing their strategic, business, and implementation plans for downsizing. For convenience, we have organized this material into seven areas, albeit with some overlap:

- leadership,
- communication,
- advance planning and preparation,
- external and internal information needs,
- strategic direction,
- implementation, and
- performance evaluation and reporting.

Section 1:

Leadership Strategies

Today, more than ever before, senior leadership's most challenging role is to become managers of change. Responsible leadership prepares its personnel for change by providing clear and concise reasons for change as early in the process as possible through open, accurate communication. While acknowledging the negative aspects of downsizing, leaders should present this change as an opportunity to institute needed improvements within the organization.

Involvement of Senior Leadership

Senior leadership plays a vital role in downsizing. While the methodologies they used differed, organizations that have downsized successfully all sought to achieve organizational goals and objectives with no appreciable loss in quality or quantity of service. Senior leaders in all of our benchmarking partners and other organizations researched were involved in the planning that occurred for their downsizing actions. It was the degree to which their participation continued during the implementation of the downsizing plan that set certain organizations apart.

We found that successful downsizing resulted when senior leadership became involved early on in the process and continued to participate actively, remained visible and accessible, and was perceived by employees to be their source of communications concerning major downsizing actions. A high level of involvement, perceived interest, and concern on the part of senior leadership had a positive impact not only on those who were eventually separated but on the survivors and their families as well.

Where downsizing was effectively implemented, senior leadership was able to foster a commitment to the organization by imparting the necessity for the downsizing, the future direction of the organization on a strategic level, and the survivors' role in helping the organization get there. Senior leadership saw --and conveyed--a direct correlation between efficiently managing the downsizing process and maintaining the viability of the organization.

Senior leadership must recognize that employees consider a destabilized environment to be potentially threatening to their careers, and that uncertainty surrounding their job future causes them to look elsewhere for opportunities. Moreover, experience has shown that in a destabilized environment, the best employees go first--which causes a significant drain on the workforce at the very time those personnel are needed most.

Involvement by Human Resource Managers

If the only factor organizations had to pay attention to when they downsized was how many fewer employees would be on the payroll next year compared to this year, then the whole process would be much simpler. Senior leadership would just have to agree on the numbers and then turn the process over to the human resource manager who, in turn, would either enforce and monitor a hiring freeze or conduct a reduction in force.

Effective and successful downsizing, however, is not that simple. In fact, the process can be quite complex and multifaceted--and human resource managers play an integral part in its success.

In our literature search and among our partners, we found an almost universal conviction that, unless an entire organization is being closed down, straight-across-the-board personnel reductions are inadvisable. Such reductions can cause critical programs, vital to the organization's future, to suffer while leaving other programs overstaffed. To avoid such outcomes, successful downsizing means workforce planning. Notably, these basic questions must be answered:

- How will attrition be managed?
- How is the workforce distributed in the target organization?
- What are the skills needed for the new or targeted organization?
- Does the current workforce have those skills and competencies?
- Can the current workforce be trained to acquire those skills?
- Is some recruitment necessary to acquire future skills that are needed?

The precision with which an organization can answer these questions--most of which fall within the realm of responsibility of the human resource manager--largely depends on the clarity of the organization's strategic vision and the quality and quantity of information it possesses about its current workforce. It also heavily depends on the organization's human resource information systems.

Involvement by Managers at All Levels

Senior leadership at our benchmarking partners used a vast array of innovative downsizing techniques and tools to ensure that the organization's downsizing goals were met. However, these leaders usually are too far removed from face-to-face contact with employees to ensure that downsizing is done humanely--and therefore, is ultimately successful. Involvement is needed throughout the organization. As one partner representative said, "Managers at all levels need to be held accountable for--and need to be committed to--managing their surplus employees in a humane, objective, and appropriate manner. While Human Resources is perceived to have provided outstanding service, it is the managers' behavior that will have the most impact."

Overcoming Organizational Tradition

One of the greatest obstacles for senior leaders, as the managers of change during downsizing, is to overcome organizational tradition--that is, to challenge the "way things have always been done." It is very difficult for employees to understand why their jobs are being eliminated or their work processes changed dramatically when they are doing as good a job--if not better--than they have always done. This can be especially true in public sector downsizings caused by budgetary reductions or a change in the political climate.

One of our partners attributed its success in overcoming the power of tradition to consistent and committed leadership. This organization's leaders made it clear from the start that this was to be a serious, long-term effort. Consistency was the key in overcoming the "this is just another management initiative" attitude.

Senior leadership should demonstrate commitment to change and--more importantly--remain consistent in its communications during downsizing. This will help overcome any employee denial of reality and combat traditional attitudes toward organizational change.

Section 2:

Communication

Overcommunication is impossible during organizational change.

A Benchmarking Partner

Our partners found that honest and open communication of what was happening to the organization during the downsizing is what employees most want from their organization's leadership. Some of the best practices employed by our partners to communicate this information include the following.

- One partner developed and disseminated a one-page RIF facts handout which provided the reasons for RIFs; advised employees as to what they should be doing (for example, ensuring that their seniority dates were correct on personnel records); and explained what would happen during the RIF process.
- Another partner ensured open communications with employees by using every communication mode (e-mail, bulletin boards, town hall meetings) available to announce all incentive and reorganization/consolidation options.
- One partner distributed to its employees a series of brochures entitled "People in Transition:

- Knowing Your Options." These brochures describe incentive programs, flexible working arrangements, the training and education allowance, and other topics relevant to downsizing. A substantial portion of each brochure is devoted to commonly asked questions and answers.
- One partner distributed "An Employee's Guide to Reduction in Force," which thoroughly describes the process to employees, explains their rights, and includes a section of tips for employees.

The Role of Senior Management

Senior management should explain to employees why the downsizing is necessary. Our partners told us that one of the most important roles for senior leadership in downsizing is to establish effective communication about the process. Employees want to know what is happening, even if it is bad news--and they want to hear it from the top. A full and open explanation of the reasons behind the downsizing helps prevent feelings of unfairness and promotes the sentiment that the downsizing is a shared experience.

One important benefit of having senior leadership explain the reasons for downsizing to employees is that it helps dispel rumors--which are almost always worse than reality. Another benefit is that it demonstrates to the eventual survivors that senior management is aware of what is happening, is in control, and is concerned about the impact of its decisions on employees. This communication also provides senior management with an opportunity to stress to the survivors that the result of the downsizing will be a healthier organization.

Our partners implemented this best practice in a variety of ways. Town hall meetings were particularly effective as were smaller group meetings, depending on the size of the organization. These latter work particularly well because they allow employees to ask questions of senior leadership and vent their frustrations. Larger organizations use videos and written communications. These tools are also effective, although they do not allow for direct two-way communication between senior leaders and employees.

Senior leadership should remain visible and accessible during the downsizing. Besides continuing periodic town hall and smaller group meetings between senior leadership and employees, our partners used numerous means to promote accessibility and visibility of senior leadership throughout the downsizing process.

- Employee information hotlines--whether using phone or fax numbers or e-mail addresses--proved to be very effective. Generally, these services were supported by promises from senior leadership to get answers back to employees within a short time frame--48 hours, for example.
- One of our partners increased the frequency of publication of its existing employee newsletter from weekly to daily so that the latest developments and employee questions and answers could be disseminated in an official forum.
- Similarly, a 175-employee organization undergoing shutdown increased the frequency of "all-staff" meetings from monthly to weekly. A survey conducted within that organization revealed that 84 percent of the respondents wanted information updates at least weekly or biweekly. Over a third said they wanted to be "swamped" with information and would take responsibility for sorting out and interpreting it themselves.

Communication Should Be Two Way

Our partners stressed the importance of listening to employees and actively seeking out their ideas during the downsizing process. Such two-way communication helps ensure that employee concerns are aired--and that employee suggestions are heard.

Many of our partners cited employee input as an important factor in the success of their downsizing actions. Employees frequently contribute ideas on how the organization should be restructured and how to increase productivity as well as ideas on what assistance should be provided to employees seeking new jobs. Our partners told us that provisions should be made for employee ideas to be submitted both confidentially and in open forum meetings where they could be discussed by employees and

management.

Employee suggestions can benefit an organization and empower the employees. For example, one of our partners established teams that included employees from all levels of the organization. One team was authorized to challenge any of the practices, policies, and procedures of the organization and to recommend changes. The team came up with suggestions representing \$2.8 million in savings in one year. These suggestions included negotiating a new contract for long distance telephone call rates, which resulted in a 30 percent reduction of these costs.

Section 3:

Advance Planning and Preparation

Our partners believe that something is wrong if a description of the future state of an organization can be summed up in the single word "smaller." Implementing downsizing without reviewing the fundamental mission, processes, services, and products of the organization can result in fewer people available to do the same amount of work. In addition, the work performed may not be work that has value for the organization or its customers. This review of mission, process, output, and customers is *strategic planning*. It answers the question "What should the organization look like three to five years from now?"

This insistence on the importance of strategic planning is also found in the literature. For example, the General Accounting Office, in its August 1996 report *Federal Downsizing--Better Workforce and Strategic Planning Could Have Made Buyouts More Effective*, concluded that unintended results of downsizing can be prevented by adequate strategic and workforce planning. The report states that "Such planning would have helped agencies to clearly define the agency's mission and identify the workforce mix needed to successfully accomplish that mission. Such planning would have increased the likelihood that employees with the needed skills and training were retained."

Much has been written about strategic planning. How to do it successfully has been the subject of many publications, including a recent National Performance Review benchmarking study report, *Serving the American Public: Best Practices in Customer-Driven Strategic Planning*. Our purpose here is not to suggest how to do strategic planning, but to emphasize that strategic planning is essential in creating a shared vision of the future of the downsized organization. Should the organization be smaller? Perhaps, but it should also be more focused and more customer-oriented. The strategic planning process has the power to turn what might otherwise be a brutal amputation into a regeneration.

Lessons Learned

We found numerous examples of the price organizations have paid when they did not sufficiently plan for downsizing:

Organizations have suffered from downsizing "success." Appropriate numbers of people leave, but the organization fails to retain some of the best minds in areas where it takes years to develop expertise. Thus, there are too many people in certain divisions and not enough in others.

- Morale is lowered when there is no clarity regarding the reasons for the downsizing. Everyone needs to have the same clear understanding of the environment.
- When budget is the only driver behind downsizing, denial can take hold. Managers and workers will resist change while they wait for revenue to pick up or for the results of the next election.
- A common mistake is to assume that each part of the organization has an equal share of excess staff; hence, the organization may make erroneous across-the-board cuts in personnel.
- Productivity and quality often suffer when there is no change in the way work is done--i.e., the same workload is redistributed among the survivors, rather than rethought and reconfigured.
- When a key portion of the workforce is lost, so too are valuable contacts, knowledge, and experience. Organizations that eliminate people they later need can face costly increases in overtime, temporary, and contract work--expenses that can exceed the savings created by job cuts.

Planning: An Inclusive Process

We asked our partners which persons within their organizations were involved in planning downsizing actions. The results are displayed in the chart at the bottom of this page. All of our partner organizations included top management and the human resource executive in this planning; most included union representatives as well. These personnel were also cited as the three key players in strategic downsizing planning in a June 1995 study conducted by a nonprofit, nonpartisan organization. That study found that more and more, the human resource executive is becoming a full business partner in modern organizations and has developed competence in business as well as in human resource specializations. As an example, the director of personnel for one of our partner organizations reports directly to top management and is considered part of the executive staff. Human resource executives are relied on to integrate the human element into an organization's strategic planning for downsizing.

One of our partners stressed the importance of the labor representative in preventing and resolving conflict during downsizing; this organization also noted the importance of labor's involvement at the strategic level of downsizing planning from the outset. This partner emphasized that any lingering issues from past problems between labor and management be resolved so that all of their combined energies could be focused on working together on the downsizing. This partner's advice to management of other organizations was to "Make your peace with them now."

Section 4:

External and Internal Information

Several types of information not normally required in an organization's day-to-day operations become critical during downsizing. Management requires information for planning and monitoring the staff reduction. Employees need various information to help them decide what course of action they should take. The source of all this information for our benchmarking partners is primarily internal, and the burden for providing it falls mostly on their human resource offices. However, several of our partners tap external sources for information in the form of other organizations that have successfully downsized.

External Information and Benchmarking

Our partners recognize the advantages of learning from other organizations that have completed downsizing processes. To exploit this learning opportunity, they benchmark externally with other organizations and internally so that follow-on downsizing efforts within their own organizations can benefit from prior experiences.

For example, when establishing a career transition center, one of our partners used competitive benchmarking to design an extremely effective career transition program based on the experience of a large organization that had undergone extensive downsizing. Another partner benchmarked organizational structures in developing its plan for reducing management layers. Still another partner benchmarked the programs other organizations used to provide incentives to encourage employees to retire.

One of our partners used internal benchmarking. Specifically, this organization made special efforts to ensure that the results of specific downsizing actions were documented so that best practices and lessons learned could be shared with sister organizations. Another partner held regular debriefings of personnel officers after major downsizing actions were completed. These debriefings were used to make changes in the process and to help develop a list of lessons learned from dealing with downsizing-related problems. As a direct result of these briefings, this organization developed a question and answer report to be used by the next unit affected by the organization's downsizing.

Internal Information

Organizations require several types of internal information in preparing to downsize, including data for management planning and information for employee decisionmaking.

Management needs information for planning and monitoring purposes. For example, organizations preparing to downsize need extensive demographic data on their entire workforce. This personnel information might consist of data by organization or data on positions, pay grades, years of service, retirement eligibility, age, gender, and diversity of employees. These data must be assembled and analyzed, first to forecast normal attrition, and, second, to establish a baseline against which progress can be tracked.

Data on the numbers of employees that would normally be expected to resign or be terminated must be gathered and analyzed as well as data on the number of employees eligible for normal or early retirement. Predictions must be made as to the number of employees expected to retire or accept other incentive packages. The quality of this information will greatly affect the organization's success in planning for the number and cost of incentives to induce employees to leave or take early retirement.

Some of our partners also developed an inventory of employee skills so that management could make informed decisions about organizational structure and staffing. This inventory included a solicitation of interest category to account for employees' desires to use those skills.

Management also needs information on the impact downsizing has on minorities, women, people with disabilities, and older employees. A seniority-based layoff or RIF strategy, such as that required by regulations covering federal workers, affects these groups disproportionately. The impact on them should be projected and monitored during the downsizing to help avoid a disproportionate impact if possible. If unavoidable, managers will at least have facts available to help them in dealing with potentially adverse publicity.

Employees need information to help them chart future directions. Providing the information needed by employees to assist them in finding new jobs proved to be a challenge for our benchmarking partners. These information needs are great; moreover, they are almost always time sensitive. Job openings usually have a short window of opportunity during which an employee must act. Similarly, the availability of training courses must be known far enough in advance to plan for the required time commitment. To be useful, such information must be provided in a structured manner.

Providing the Information

We found that the burden of providing information required during downsizing fell primarily on human resource offices. In fact, the workload increase for these offices caught many of our partners by surprise. How they handled the added workload, and best practices we found being used by our partners related to external and internal information provision, are described below.

Develop a human resource information system. Several of our partners are developing human resource information systems so that staffing actions can be taken electronically. Although most of these systems were in the planning stages at the time of our study, planned capabilities include integrated personnel and payroll databases and on-line staffing. Some of these systems will let managers access databases containing employee skills and training and personnel records and policies. Although useful at all times, the ability to access human resource information easily and flexibly is especially critical during downsizing. Accurate and timely information ensures that actions taken are equitable and fairly administered.

Recognize and plan for the increased workload for the human resource staff occasioned by downsizing. Our partners consistently spoke of the dramatically increased workloads experienced by their human resource staffs during downsizing. In addition, we found that human resource offices need time to adjust to the shift from their typical main task--hiring--to the work required by downsizing--the laying off of large numbers of people. One of our partners said that as one of their lessons learned, the personnel within their human resource office would be among the last to be affected in any future

layoffs. Another partner advised that alternative sources of support--possibly from elsewhere in the organization--be identified to assist in employee career transition activities in order to reduce the human resource staff's workload. A majority of our partners at least considered outsourcing career transition activities.

Inventory current employee skills and assess employees' potential to acquire new skills. As part of its downsizing guidelines, one of our partners included an assessment of those employees being displaced from their jobs to determine skills, education, background, and abilities. These assessments were conducted by the human resource and training offices. The human resource office then tried to match these employees to available jobs elsewhere in the organization. Any necessary training was determined.

The downsizing literature contains numerous recommendations to assess employees' potential to acquire new skills. Organizations use both formal and informal methods to conduct such assessments. Formal methods often require the services of an outside contractor; informal methods--conducted by the employee and supervisors--are equally effective and less costly. These skill assessments are useful in placing employees in existing positions, and are also helpful in identifying which employees have the skills or aptitudes that will be needed by the organization in the future.

Survey employees early in the downsizing process to assess their progress in obtaining new jobs and to assess the utilization of career transition services. Several of our partners used surveys to collect data from employees on the degree of utilization of career transition services and to assess their progress in finding a new job. One of our partners conducted a written survey well into a downsizing but approximately six months prior to the anticipated closure of an office. The survey revealed, surprisingly, that many employees were still "in denial" and were not making use of the career transition services available to them. The survey probably should have been conducted much earlier in the process so management would have had more time to assist the employees.

Use downsizing-related data to effect needed organizational changes. Changing demands for services or improvements in workplace technologies can cause an imbalance of employees in different departments or offices within an organization. Some of our partners saw downsizing as an opportunity to effect changes required by these and other factors. For example, using workload data to project the growth rate for various types of services, one partner found that demand for some services would continue to grow while budget realities demanded a reduction in personnel costs over the same period. The availability of reliable data allowed the organization to avoid across-the-board personnel reductions, target and justify reductions in those areas where demand for services were decreasing, and reengineer work so that service levels could be maintained in the future.

Section 5:

Setting Strategic Direction

The importance of planning for downsizing, as discussed in section 3 of this report, was emphasized by our partners and in our review of the literature. Our partners used their downsizing plans--developed in conjunction with their organization's overall strategic plan--and external and internal information to set a strategic direction for downsizing. That strategic direction was the path toward which our partners aligned activities and resources to accomplish their downsizing goals. What follows are the best practices they used to convert their downsizing plans to strategic direction.

Use innovative techniques to communicate the downsizing plan to employees. It is vital that employees understand the downsizing plan and have the opportunity to ask questions about it. In some large organizations, a letter or memorandum from senior management may be the only practical method for communicating the downsizing plan to employees. However, various innovative communication techniques might also be used to inform employees about future plans. For example, the plan could be introduced to all employees at an off-site location. Not only does this provide the advantage of getting the same information to everyone at the same time, but it also emphasizes the importance of the plan.

Moreover, it allows for two-way communication.

One large organization mobilized its internal public relations capabilities to communicate the downsizing plan and keep employees updated. It published a weekly faxed newspaper, ran an electronic bulletin board, broadcast a weekly in-house TV show, and convened four meetings attended by nearly 2,000 employees. Another large organization, which found itself in the position of having to transform an entrenched corporate culture, developed a plan and then extracted from it short and simple vision and value statements. These statements were widely printed on everything from banners to coffee cups to communicate them to employees.

Require business plans from each department within the organization to show how the downsizing plan will be implemented. Our partners emphasized the importance of developing business plans based on the downsizing plan, as well as the importance of holding departments responsible for meeting targets established in these plans. Requiring each department within an organization to develop a business plan helps ensure that the managers of those departments are involved in the planning; it also builds support for the effort. The partners also noted that departments should be given the authority and freedom to restructure based on their future missions.

Several of our partners formed teams of managers and employees to develop the business plans. Their experience was that involving employees improves morale, builds trust between managers and employees, and makes the entire team more knowledgeable about the organization. One partner's best practice in obtaining employee involvement was the formation of two management-employee teams--one to revise the organization of the department and one to develop innovative ideas for how the work of the department should be done. Employees were invited to volunteer to serve on these teams via a memo from the human resource office; the memo also provided a mechanism for employees to submit ideas in confidence.

Identify work processes that will not be needed in the future organization so that positions associated with these processes can be targeted for elimination. This activity works best when decisions on the elimination of positions are made by teams of managers and employees. Among our partner organizations, such teams were made up of employees from a cross-section of departments within the respective organization. The employee representation on these teams gave the downsizing plan as a whole additional credibility with all employees. Identification of work processes not needed in the future organization also protects those processes that are key to the organization's future from being affected by the downsizing.

Section 6:

Implementation: Translating Strategic Direction Into Action

How the actual downsizing process is managed will have more direct impact, and leave the longest lasting impression, on both the employees being separated and the survivors than any other phase of the process. The ease with which the process is accomplished is determined by the effectiveness of the strategic and workforce advance planning and can be measured--at least in part--by how little the organization's workflow is disrupted.

In our study we looked for best practices in the management of the downsizing process, especially those that would support the remaining employees (survivors). We found that the organizations in which survivors felt well-treated were the same ones that treated their separated workers well. These organizations recognize that how survivors feel about the organization is in large part based on how they saw their former co-workers treated as they were being separated. Moreover, these organizations understand that the downsizing techniques and tools they use require constant monitoring, and sometimes frequent adjustment, if they are to be successful.

Downsizing Techniques and Strategies

Many of the following techniques and strategies were commonly used by our partners as well as by other organizations undergoing a downsizing. We surveyed our partners on their use of these techniques and their evaluation of the effectiveness of each method. The results of this survey, and the best practices we found associated with these techniques, are presented below and in the chart on the following page.

Attrition. Attrition is the normal reduction of the workforce caused by employees leaving the organization for reasons of retirement, death, or resignation. A hiring freeze, either total or partial, is a human resource management strategy used by nearly every downsizing organization. This strategy may be sufficient in itself if normal attrition is substantial, and the downsizing required is modest and can take place over an extended period.

Our benchmarking partners described this method as being relatively painless and effective. They remarked, however, that the probability is high that workforce imbalances will develop if there is no plan to guide either internal redistribution of employees or limited hiring.

Early retirement and buyout incentives. While not all of our partners offered these incentives, among those that did, they were rated among the most effective downsizing techniques used and were very popular with employees.

Early retirement incentives promote additional attrition by allowing employees to retire with either full or reduced pension benefits at an earlier age than normal. These incentives work well for those organizations able to offer it to their employees. For example, one partner organization offered a program that either reduced the required minimum retirement age by five years or added five years to length of service; this program accounted for about 49 percent of the organization's voluntary separations. Similarly high rates of employee acceptance were found among other partners.

Buyout incentives consist of offering a lump sum payment to encourage employees to leave voluntarily; such incentives encourage attrition of those who are eligible/not eligible for either early or regular retirement.

There is little doubt that buyouts are effective incentives. In 1994 and 1995, almost half of the federal government's reduction of jobs since the passage of the Federal Workforce Restructuring Act involved buyouts. The buyouts were also effective in preventing RIFs: only 6 percent of the total reduction during 1994-95 involved involuntary separations.

Early retirement and buyout incentives require funding. In general, this funding comes from savings resulting from hiring freezes. Our partners reported using other techniques as well both to help fund the programs and to prevent resource imbalances. One partner created a "job bank," into which all vacant positions across the organization were placed. Departments had to review their need for replacements and request them from a committee whose task was to ensure that high-priority vacancies were filled, while maintaining the job bank at a designated level. With few exceptions, each vacancy could only be filled by another employee of the organization; this created another opportunity for review and elimination of a position.

Management accountability was a key feature in the funding of incentive programs for another partner. This partner established "payback" periods for both its buyout (one year of salary) and early retirement (two years of salary) programs. There is a central fund for both programs, although each department within the organization is expected to absorb a small percentage of the cost. Managers were informed that their investment in downsizing costs for these incentive programs must allow for the payback time frames and that these time frames would be reviewed in future audits.

Involuntary separation. Also known as layoffs or RIFs, involuntary separation was the least favored technique available to our partners. Most organizations are forced by law--in the case of most public sector employees--or by bargaining agreements to employ seniority-based criteria in deciding which employees are to be separated. The disruption accompanying the "bumping" of people into lower graded and lower paying jobs can take years to overcome. Our partners also cited the practice's negative impact

on employee diversity, since women and minorities tend to be disproportionately affected by seniority-based layoff policies. All of our partners provided career transition assistance to employees, usually with job placement and training assistance, severance pay, and continuation of benefits such as health insurance for a period of time.

Leave without pay. Taking a leave of absence without pay with reduced benefits, but with a guarantee of being able to return to the job at the end of a designated period, appeals to some employees. It also appealed to some of our partners whose reason for downsizing was to cut costs rather than meet a mandated reduction in the number of employees.

Two of our partners relied on leave without pay or temporary leave of absence as major components of their incentive programs for voluntary separations. One partner's program enabled an employee to take a minimum of three years' to a maximum of five years' leave without pay. The program includes the right to return to employment, although not necessarily to the same position. While employees are on leave they are eligible for educational assistance, credit union participation, medical insurance under the Consolidated Omnibus Budget Reconciliation Act of 1986, continuation of most insurance under group rates, accrual of length-of-service for retirement plan calculations, and payment for accrued vacation at the time leave without pay starts.

Another partner offers a program known as "Leave With Income Averaging" both to reduce its budget for employee salaries and to help employees better balance their work and personal lives--and, in some cases, to help them move toward new careers. Employees can take leave without pay for between five weeks and three months within a year. Pay is averaged out over the year to reflect the reduced time, but their pension and benefit payments as well as insurance coverage continue at the old levels. An interesting variation available to one partner's employees is "Pre-retirement Transition Leave," by which employees who are within two years of full retirement eligibility can reduce their work week by as much as 40 percent. Pay is reduced accordingly, but their pension and benefit payments and insurance coverage continue at previous levels. The employee must agree to resign at the end of the leave period of up to two years.

Another partner has a very flexible policy on employees' use of leave without pay. Employees may take such leave one day a week or just about any desired way with no effect on their seniority date.

The partners' experience has been that when employees understand all the facts about leave without pay, they will avail themselves of it. Some employees, for example, will take such leave to finish their education. And, in one organization, several people voluntarily reduced their hours so no jobs would be lost.

Other flexible work arrangements. Several partners offer a variety of flexible working arrangements to their employees. They regard these programs as important tools for their managers, enabling them to maintain high levels of service while meeting their workforce adjustment requirements and providing choices to employees--and thereby empowering them to better balance their work and personal lives. The programs include telework; part-time employment; flexible work hours; variable work week; job sharing; and a variety of leaves with and without pay including education leave, maternity leave, paternity leave, adoption leave, self-funded leave, leave for care and nurturing of preschool children, leave for personal needs, and leave for relocation of spouse. The advantages of these programs--for both employees and employers--include:

- increased ability to recruit/retain top- quality staff;
- increased health, morale, and productivity;
- decreased absenteeism and turnover;
- a strong and positive impact on the work environment;
- improved service to clients in different time zones;
- increased use of office equipment and space;
- reduced stress, as the employee is able to control, predict, and absorb changes in both workforce and family settings; and
- increased opportunity for employees to pursue educational advancement, professional

development, child care or health management responsibilities, hobbies, or personal goals.

Other techniques managers can consider in lieu of involuntary separation include overtime restrictions, union contract changes, cuts in pay, furloughs, shortened work weeks, and job sharing.

These types of work changes are most successful when employees have been extensively involved in the decisions behind their implementation. Employees may prefer a "shared pain" approach to downsizing rather than see their co-workers laid off. The organization benefits because morale remains high. Some workers considering career changes benefit because they have more time to pursue other employment.

Implementing Multiple Strategies

Our partners found that not all downsizing strategies worked exactly as planned--some did not work well at all; others exceeded beyond expectations. The concurrent use of multiple strategies therefore helps ensure the success of the downsizing process. All of our partners used multiple strategies simultaneously. Some partners not only combined multiple workforce reduction strategies, such as buyouts and attrition, but also combined them with multiple process reengineering strategies. For example, one of our partners used eight strategies simultaneously to achieve its downsizing objectives. These included:

- a hiring freeze in conjunction with a review process to evaluate vacated positions for elimination;
- a retirement incentive program;
- guidelines for reducing management layers;
- an assessment of services across the organization;
- establishment of teams made up of employees from across the organization to reengineer processes;
- establishment of training as a strategic resource, exemplified by (1) creating a training office separate from the human resource department, (2) retraining employees transferred into new positions, and (3) offering all employees training in stress and change management, customer service, and working in teams;
- investments in technology--such as phone mail equipment, local and wide area networks, and electronic bulletin boards--to achieve greater productivity; and
- establishment of a customer service center to improve service to the public.

Training Managers for Their Roles in Downsizing

One of our partners provides the following guidance in its career transition program handbook: "Train supervisors of affected employees. In an involuntary downsizing, supervisors who will be delivering RIF notices should be trained on HOW to best give support to RIFed employees. Supervisors should be able to explain what services are available and encourage the use of these services." The focus of this guidance is to get employees to use the career transition services available to them as soon as possible, but the implicit importance of training managers is an obvious downsizing best practice.

We surveyed our partners as to the types of downsizing-related training they provide their managers. Almost all of them provide formal classroom training on issues managers would be dealing with during downsizing. Most of our partners also provide written guidance, generally in a handbook, to which managers can refer after formal training. One-third of our partners provide training to managers on how to deal with violence in the workplace. Appendix B of this report provides a list of downsizing-related training available to federal managers.

Career Transition Assistance and Survivor Support

Organizations that have successfully downsized all provide career transition assistance to both separated and surviving employees. We surveyed our partners regarding their transition services; their responses are recorded in the chart on the next page, and their best practices are described below.

Provide career counseling to employees to help them identify skills and abilities and determine

training required for possible future career paths. One of our partners has four professional career counselors on staff at its career transition center. They offer employees confidential sessions to identify their interests, skills, values, and preferred work style as well as to explore their career options and develop career goals. The counselors also administer and interpret career assessment instruments that provide samples of occupations matching employees' interests, skills, values, and personality. Some of the instruments used are the Myers-Briggs Type Indicator, the Self-Directed Search, and the Strong Interest Inventory.

Provide personal counseling to employees to help them vent their feelings, rebuild their self-esteem, and deal with stress. Some of the techniques used in partner organizations for personal counseling include one-on-one counseling with a trained professional, peer counseling, and group counseling. These latter two are most typical among our partners; professional one-on-one counseling is rarely offered due to the associated cost.

Our partners usually provide personal counseling in conjunction with career counseling. One partner primarily used individual peer-based counseling as it downsized. For this, it used employee facilitators, who were trained internally and assigned to employees with RIF notices on a 1:10 ratio. The peer facilitators served as employee advocates and coaches on issues ranging from benefits and rights to helping employees develop their resumes and market themselves. Over 90 percent of the affected employees realized successful transitions (defined in employees' own terms) within six months of their separation dates.

Many of the employees and some of the peer facilitators also participated in the second type of counseling offered by the organization--facilitated peer groups. These groups, which came to be known as "job clubs," brought peer counselors' clients together to share problems and information, thus making it possible for employees to support each other and attain more energy and creativity than they might have accomplished individually.

The organization also offered, on a limited basis, a third type of counseling--seminar-based counseling. The goal of this counseling was the same as in individual peer-based counseling, but was delivered in a seminar format. Trainers delivering the seminars were also available for limited individual consultations on an appointment basis.

Provide career transition training to employees to prepare them for what to expect during the downsizing process, to help them obtain jobs in other organizations, or to enhance their skills for employment within or outside the organization. Most of our partners established a series of workshops or seminars for employees that were designed to enhance or take the place of career and personal counseling. A cross-section of the titles of these training opportunities illustrates the wide range of issues considered by our partners: Dealing With Change, Stress Management, Starting Your Own Business, Creating Your Resume, Discovering Your Real Career, Cut Your Job Search Time in Half--Networking, Using the Holland Self-Directed Search, Job Search on the Internet, Mediation/Conflict Management, Internal Consulting Skills, Teamwork, and Retirement and Financial Planning.

We surveyed our partners regarding the types of training assistance they provided their employees to enhance their job skills; we also asked if they had made use of Job Training Partnership Act (JTPA) funding to help pay for employee retraining. Their responses are provided on the chart on the next page.

One of our partners has a program that allows employees affected by downsizing to apply, and be given priority, for entry-level jobs in another area of the organization. These crossovers between areas would normally not occur due to differing qualifications for jobs in the respective areas. Under this program, the employee remains at his or her previous salary level for two years.

Another partner provided a training and education allowance for employees accepting its version of a buyout. The allowance provides up to \$7,000 over a three-year period and may be used for a variety of learning activities.

Provide relocation assistance to employees so they can take advantage of employment opportunities within the organization at other geographic locations. A substantial number of our partners provide this assistance. While such assistance might seem costly, the partners noted that compared to the costs of other options--such as training a new employee--this is a very cost-effective alternative.

Establish a career transition center as a base of services and resources for employees. The majority of our partners have established a "one-stop shop" for reemployment services. Such career transition centers can be established with limited resources. For example, one of our partners established its center with a budget of \$250,000 per year and just two permanent employees. All other staffing needs--including counselors, workshop instructors, and staffing for a satellite location transition center--are handled through cooperative agreements with community colleges.

This organization has also developed partnerships with commercial copy centers as a cost-effective way to provide services that would normally be available only in a staffed career transition center. These satellite facilities in commercial copy centers provide employees affected by downsizing with computers, copiers, and other office equipment. Consulting services at these facilities are provided by community colleges or, for financial counseling, by the organization's financial institution. Since June 1993, this organization's career transition center has provided services to over 3,000 clients at an average cost of \$258 per client.

Provide outplacement assistance to help separated employees locate new employment. All of our partners provide outplacement assistance to separated employees. This assistance takes many forms, from help in locating listings of vacant jobs to central pools of displaced workers for whom the employer attempts to find positions. Many of the best practices in this area involve large organizations helping employees find employment elsewhere in the organization through central processing points at which displaced employees and vacant positions are brought together.

For example, one partner created a "RIF Transition Pool" to provide additional exposure for displaced employees who want to remain, or regain employment, with the organization. Names of employees in the pool are referred when jobs become available. Interested offices must review the list of qualified candidates from the pool after considering any existing RIF register and the organization's own internal promotion candidates. This program has placed over 500 employees since it began in April 1993.

Similarly, another partner attempts to find new jobs for RIFed employees through its Priority Placement Program, an automated referral program that assists its employees worldwide. The program has been in operation since 1965 and has placed over 140,000 employees. The skills of employees being separated or downgraded are matched with vacant positions in locations where the employee has indicated a willingness to work and is eligible to register. Normally, registrants whose qualifications match job requirements must be offered the job.

Provide resume-writing assistance to separating employees. We found several innovations among our partners in providing this form of assistance to their employees. Most of our partners include resume-writing assistance as a component of the services provided by their career transition centers. Almost all use commercially available off-the-shelf software to help employees create their resumes. Several partners have offered seminars and workshops that have specifically dealt with resumes. Our partners cited one-on-one advice on, and critique of, employees' resumes by career counselors as a very important part of counseling services.

Conduct job fairs to bring interested employers together with separating employees. A majority of our partners use this technique to help their displaced employees find new jobs. One organization conducted a two-day job fair with 200 private sector employers that had immediate or future hiring needs. While the impact was positive for both employees and employers, our partner noted that one of the key benefits was the increased positive perception of public sector skills on the part of participating employers.

Provide access to office equipment to employees seeking new employment. All of our partners provide this service to their employees, usually at career transition centers. Typically, they provide access to computers, printers, copiers, fax machines, and typewriters as well as provide long distance telephone

calls and faxes. For employees in sites where there is no career transition center, the example described above--where a partner teamed with commercial copy centers--is an innovative best practice.

Many of our partners noted that providing this equipment in an office-like setting at career transition centers gave separated employees a place to go every day, if they wished, and it made the transition period between their old and new jobs less traumatic.

Provide paid time off for employees to seek new employment. The majority of our partners allow employees who have been notified that their jobs are to be eliminated to take time off with pay to go on interviews or otherwise pursue job leads. They recognize that arranging interviews and preparing for them are stressful enough without the added burden of arranging time off and expending leave time--time that, in organizations that pay the employee for unused leave, the employee may be trying to save. Providing paid time off also improves morale for the entire workforce, including the survivors, by demonstrating concern for employees being separated.

Provide child care assistance to employees while they search for new employment. Our study revealed that this service is rarely provided to separating employees. Only one of our partners provides this service. However, child care assistance removes a large barrier to a parent seeking new employment. A representative of one of our partners said that its employees formed informal groups to provide mutual assistance in this area.

Offer career transition services to employee spouses. This too is a fairly unusual practice, although four of our partners indicated that their career transition services were available to employee spouses. These services are especially important in cases where an employee is being relocated and the spouse is employed--a situation that is certainly not unusual in today's two-career families. In some cases, the spouse may have the skills needed for available jobs and can better take advantage of the outplacement services than can the employee. This requires viewing job loss as a loss to the whole family, not just to the employee.

Offer financial counseling to all employees during downsizing, not just to those being separated. Half of our partners offer financial counseling to employees as part of their career transition services. Some restrict this service only to those employees who have been notified that they are being separated. However, we found that organizations that provide financial planning and lifestyle counseling have higher acceptance rates for early retirement offers than those firms that provide no workshops. Providing financial counseling to all employees can encourage the acceptance of voluntary separation incentives, thus helping organizations--and employees--avoid involuntary separations.

Provide access to Internet job placement sites. Most of our partners have, to some degree, automated the job search process for their employees affected by downsizing. We saw an impressive array of creative approaches including electronic inventories of available jobs both within and outside of the organization. These inventories, available through the Internet, are accessible from computers at employee workstations or in a kiosk setting. Some of our partners have systems that allow users to search for job opportunities by specific criteria, such as job group, grade level, and geographic location. Some of these systems also let users input their resumes so that information on the individual employee is available to selection officials. Most of our partners have either developed these systems themselves or in conjunction with an outside contractor; all use off-the-shelf software.

A Web site on the Internet called "Planning Your Future--A Federal Employee's Survival Guide" has been developed by employees from several agencies. This site contains numerous job availability databases as well as information from OPM's Workforce Restructuring Office, including employee guides to RIFs and buyouts. The Web site address is: www.safetynet.doleta.gov.

One partner provided a demonstration of an electronic jobs inventory known as "People and Jobs." It was developed to help employees match their skills and career interests with available job opportunities both within and outside the organization, and includes the following features:

- The system was developed with the help of an outside contractor using off-the-shelf software.

- The system is accessible through the Internet, which allows employees to access it from their desks.
- Job opportunities can be searched by specific criteria such as geographic location.
- Job opportunities within the organization are input by managers; human resource personnel input job opportunities outside the organization.
- Employees may submit a resume on-line. They may also keep their identity confidential; the system can assign a unique identifier code so that the human resource office can contact them if someone is interested in their resume.

There is every reason to expect that the number of job sites on the Internet will grow substantially in the near future. Providing a way for employees to access this information is relatively simple and inexpensive, and helps empower employees to take charge of their search for employment. Appendix A of this report contains the Internet addresses of some of our partners' systems and other Web sites our partners have found useful.

Use employees at risk of losing their jobs as contingent workers to make up a labor pool for the organization. We discovered a particularly creative approach to avoiding layoffs at one large corporation. Its workers remain on the payroll to perform work that was previously done by contractors. The employees continue working with their same salary and benefits in temporary assignments. The corporation benefits by retaining talented, high-performing employees, by avoiding severance pay for these employees, and by reduced requirements for expensive outside contractors. Corporate users get the benefit of employees who are knowledgeable about the corporation and gain the ability to expand operations in an uncertain market with decreased risk. The employees benefit by being able to retain jobs in the same company. They also have increased visibility and career development and networking opportunities not previously available to them.

Managing the Survivors

One organization used a particularly innovative program for handling survivors. This program featured the following elements:

- Management stressed clear communication of the reason for the downsizing to survivors. In attempting to rebuild the emotional commitment to the organization, management also assured survivors of continued employment.
- Senior managers attended group sessions to help them understand the nature and extent of the downsizing.
- Survivors were provided with personal career counseling to help them evaluate the impact of upcoming changes on future career options.
- Survivors were individually counseled on the types of assistance available to them.
- Survivors were informed of the support services provided to their laid-off colleagues.
- Immediately after the layoffs were announced, survivors met in groups with senior management. They had the opportunity to discuss their feelings about the layoffs and the future of the organization. Issues raised became the focus of follow-up sessions.
- Managers increased their informal contacts with survivors.
- Human resource managers increased their counseling of survivors.
- Employee assistance programs outside the organization were made available to survivors who needed them on an anonymous basis.

Two months after the downsizing, a follow-up meeting was held to address unresolved issues and assess progress. The organization lost only two survivors to other jobs, and productivity levels were maintained.

Section 7:

Performance Evaluation and Reporting

Our literature search found that the results of downsizing are often not what was anticipated or desired. For example, a leading human resource consulting company survey of 531 large corporations that had recently undergone downsizing was published in 1993. That survey revealed that relatively few companies achieved the goals they had determined to be central to their downsizing efforts. Most had as a goal the reduction of costs/expenses, yet only 61 percent of the surveyed organizations achieved this goal. And that proportion was the largest than for any of the other 10 goals listed. Less than half of the corporations achieved their goals of increasing profitability, competitive advantage, customer service, shareholder return on investment, productivity, and customer satisfaction. Only 21 percent reduced waste and inefficiency, and less than half improved decisionmaking or cash flow. Also, 57 percent of the companies replaced some of the workers they had laid off within one year of the downsizing. The study report pointed out that the replacement of downsized employees does not go unnoticed by surviving employees, calling into question the credibility of management regarding the need for downsizing since it works against the goal of reducing expenses.

In a 1985 assessment of federal government downsizing, the General Accounting Office examined eight RIFs that took place at various organizations in 1982. The investigators determined that it was important to cost out the need for a RIF as compared to other alternatives--such as furloughs, early retirements and attrition--to determine whether a RIF is the most cost-effective method to reduce the workforce. While cost savings from wages, benefits, and overhead were usually determined, some costs attached to RIFs were not calculated, such as payments in lieu of notice, severance pay, unemployment compensation, costs for transfers to other locations, and contract costs for job search assistance. Other costs of a RIF that are not always considered include costs associated with the time and resources required to process and administer the RIF, to resolve appeals and grievances, and to hire and train employees to fill jobs unintentionally left vacant by the RIF.

Monitoring Results

Downsizing, like any other business procedure, requires careful management. Monitoring progress through periodic in-process reviews is a chief component of successful downsizing. Those organizations that take the time to periodically review their procedures, learn from their mistakes as well as their successes, and incorporate what is learned from these periodic assessments into their downsizing procedures have found that they could minimize adverse impact in ongoing downsizing processes and complete future downsizings in a more streamlined fashion. Below are some best practice case studies found in our literature search and among our partners.

Representatives of one of our partners cited the tracking of their workforce adjustment activities and the subsequent sharing of this information across the departments as a key practice in the success of their downsizing actions. They review the progress of their downsizing quarterly and publish a widely distributed report to enable managers to monitor reductions by the following categories:

- by department;
- by reason (early retirement, buyout, leave without pay, etc.);
- by occupational group (clerical and regulatory, data processing, program administration, general services, secretarial, stenographic and typing, general labor and trades, and executive);
- by region; and
- by employment equity group (women, minorities, people with disabilities).

Another partner reviews progress quarterly. Senior leaders are given statistics on key indicators for their departments, such as the effects the downsizing is having on the diversity of their organizations.

A representative of another partner advised that once the downsizing plan was introduced, the response of the departments within the organization varied widely. Some departments responded very favorably, immediately beginning to develop their internal business plans and establishing teams to meet their downsizing objectives. Some departments moved at a slower pace, avoiding radical change. Some departments did nothing and waited to see if the downsizing would really happen. This partner advised that close tracking of the progress and achievements of each department is essential and that the

organization should not count on one strategy working the same way for every department within an organization.

In our research, we discovered a study on an organization that had used attrition to reduce its workforce by 23 percent from 1982 to 1986. Because the effort was not managed or monitored effectively, in the same period in which 6,000 total positions were reduced, 8,000 people were hired. Worse yet, the resulting organization was older, less diverse, had a higher ratio of supervisors to employees, and was left with an imbalance of skills. The organization revamped its workforce planning efforts and was subsequently cited as a model organization. Attrition is now managed and monitored by identifying human resource needs according to mission requirements and by making workforce planning part of the budget planning process. This organization also uses turnover statistics; demographic and hiring data; and information collected from employee exit surveys, climate assessments, and customer surveys to predict and monitor attrition.

Measuring Customer Satisfaction

Regardless of whom a particular organization's customers are, the techniques used to monitor and measure the results of downsizing actions on these customers are transferable to any downsizing situation. Our partners generally rely on surveys--surveys both of customers of their organization's products or services and of their employees going through the downsizing. One partner's human resource office surveys employees and customers twice a year to determine the effectiveness of service provision and the attitudes of workers concerning the downsizing effort. This partner also surveyed a combined group of management/employees and citizens to assess all services provided. The results obtained determined the relative importance and effectiveness of each service.

Another partner surveyed its employees six months prior to closing an office to determine their concerns and the information and resources they would need in the final six months of the office's existence. The questions specifically asked were as follows:

- Where were the employees during the transition process? Were their expectations on the likelihood of surviving the transition in line with the probable outcome?
- What issues and information needs could be expected in the final six months?
- How could career transition services be better targeted to match the location and sectors in which staff were seeking employment?
- How effective was the priority placement pool which attempted to match vacant state jobs to displaced workers?

Another partner used a private sector management company to review downsizing activities in a number of its offices to determine the best practices associated with organizational strategy, human resource management, and/or process reengineering. The objective of the review was to maximize the lessons learned so that they might be transferred to future downsizing and renewal initiatives. The review methodology included one-on-one interviews with at least five participants from each office and a survey of all individuals affected by the downsizing; focus groups were also used in some cases.

Measures of Downsizing Effectiveness

Our partners stressed that one of the most important tools in helping them achieve their downsizing goals is monitoring and measuring the effectiveness of downsizing techniques and strategies. Not only does this help when justifying the expense of some of the techniques, but also when the fairness of the process is challenged. We found that monitoring turnover or attrition rates overall, as well as by grade and occupation, is also critical; in this way, an organization can assess whether the right people and enough people are leaving.

We asked our partners what they monitored and measured to determine the effectiveness of their downsizing actions. Their responses included:

- employee reductions;

- reductions in the number of high-grade positions;
- increase in the ratio of supervisors to employees;
- decrease in headquarters positions;
- personnel loss due to attrition versus personnel loss due to incentive programs;
- demographics of buyout recipients;
- use of buyouts in front-line versus overhead employees;
- decrease in personnel, budget, acquisition, and auditor positions;
- impact on diversity goals;
- ability to meet budgetary limits;
- ability to continue to accomplish legal and regulatory mandated programs;
- percentage of employees finding new positions;
- financial indicators, such as the payback period on incentive programs;
- reduction in total cost of wages and salaries;
- meeting authorized budget and FTE levels;
- number of appeals filed;
- number of voluntary participants in incentive and career transition programs; and
- customer service ratings.

Our partners told us that sometimes the selection of an indicator was all that was needed to ensure that progress would be made in that area. Their experience shows that "what gets monitored gets managed."

The Primary "Customers" of Downsizing--The Survivors

The success or failure of a downsized organization depends on the workforce remaining after the downsizing--that is, on the survivors. We found that a well-planned downsizing that alleviates survivors' concerns must include:

- senior leadership being clearly seen by employees as involved from the onset in the process and continuing active participation throughout;
- employees receiving constant and credible communication;
- separated employees treated with dignity and respect; and
- resources being devoted to support separating employees in their search for new employment.

We have also heard from our partners that survivors need senior leadership to show them that the organization has a future and explain what their role will be in that future. One of our partners devoted much of its communication effort during the downsizing to emphasize the purpose of the downsizing; the aim was to create a healthier company in which the surviving employees could look forward to long and rewarding careers. This partner developed stock option and profit-sharing programs not previously available to emphasize the survivors' stake in the new organization.

Our partners realize that their best employees, on whom they depend to get their organizations past the effects of downsizing, can often easily find employment elsewhere. They also recognize that demoralized employees are resistant to the types of organizational change needed after a downsizing.

To summarize, we found that successful downsizing resulted when survivors experienced frequent communication from management, had a clear understanding of where they fit in the revised organization, and were provided with assistance in the guidance of their future careers with the organization.

APPENDIX A:

Downsizing Resources the Internet

Abstracts

Downsizing--The Meridian International Institute
www.clearlake.ibm.com/Alliance/clusters/rs/biblio5b.html

Downsizing Plan for the Commonwealth of Massachusetts
www.magnet.state.ma.us/gov/downsize.htm

Articles

Downsizing
heisenberg.osat.hq.nasa.gov/codex/News/downsizing/downsize.shtml A National Aeronautics and Space Administration Web site that contains information about downsizing, career transition assistance, and reduction in force. It also has information from the Federal Employee Survival Guide along with job information and contact lists.

Downsizing Dilemma
www.govexec.com/features/0896s3.htm Discusses the dilemma that federal managers currently face--finding the balance between helping displaced workers with outplacement services and getting the agency's work done.

The Downsizing of America
www.nytimes.com/specials/downsize/ A seven-part series from the New York Times about downsizing in America. Registration is required to access the New York Times Web site.

HR Magazine--Damaged, Downsized Souls
www.shrm.org/hrmagazine/0596cov.htm An article in HR Magazine discussing how to revitalize the workplace after downsizing. It also has links to other companies' downsizing and restructuring strategies.

Navran Associates: Downsizing Articles
www.navran.com/Articles/index.html Navran Associates is a full-service management, training, and consulting firm. This site contains articles about downsizing and how to deal with its survivors.

A Review of History and Results of Downsizing
www.brigadoon.com/~iopsyh/downsize.html A research paper documenting the history of downsizing and its presence in today's business society. It also talks about common outcomes and strategies for effective downsizing.

The Wages of Downsizing
www.mojones.com/mother_jones/JA96/downs.html An article discussing the myths of downsizing. It has links to related sites.

Downsizing Case Studies and Guides

Alliance for Redesigning Government
www.clearlake.ibm.com/Alliance/home.html This National Academy of Public Administration Web site contains case studies and abstracts regarding downsizing practices and strategies in federal and state governments.

Effective Downsizing: A Compendium of Lessons Learned for Government Organizations
www.clearlake.ibm.com/Alliance/clusters/rs/downsize.htm This National Academy of Public Administration Web site shares information from public and private companies that have undergone downsizing effectively.

Government Downsizing: Pitfalls and How to Avoid Them

quasar.sba.dal.ca:2000/profs/jduffy/article1.html This Canadian government Web site shares information about downsizing pitfalls and strategies for avoiding them.

Heartland Policy Study: Thoughts From the Business World on Downsizing Government

www.heartland.org/rumsfeld.htm Testimony from Donald Rumsfeld before a subcommittee of the House Committee on Government Reform and Oversight about corporate downsizing strategies that could be applied to the federal government.

Lessons Learned From Nine Corporations

www.ilr.cornell.edu/library/e_archive/glassceilig/6/6front.html This Web site shares a report that discusses the impact of corporate restructurings and downsizings on the managerial careers of minorities and women.

OPM Brochure CE-57 (RIF Benefits Guide)

www.rdc.noaa.gov/rif/rifben.htm The site contains the Reduction in Force Benefits Guide, which summarizes benefits provided for employees targeted for reduction-in-force action.

OPM RIF Guidance

freeway.osat.hq.nasa.gov/codex/News/downsizin/opmrif.shtml The Employee Guide to Reduction in Force (RIF) from the Workforce Restructuring Office, Office of Personnel Management.

Restructuring and Downsizing

www.gov.ab.ca/~pao/downsize This Canadian government Web site contains information about downsizing and workforce reduction strategies performed by the Canadian government.

Workforce Reductions: Downsizing Strategies Used in Selected Organizations

www.ilr.cornell.edu/lib/bookshelf/HotTopics/Downsizing/GAO_downsizing.html A General Accounting Office case study of how 17 private companies, 5 states, and 3 foreign governments planned and carried out downsizings. It focuses on successful strategies and approaches that may help federal agencies implement employment reductions mandated by the Federal Workforce Restructuring Act.

Job and Career Listings

Capitol Online Web

onweb.com/cow/job.html A job listing site that contains employment opportunities inside and outside the D.C. metropolitan area. The site has links to job banks across the country. In addition, it lets users add resumes or job listings to the site.

Career Builder

careerbuilder.com A job search Web site that provides personalized, confidential, and immediate access to the best employment opportunities on the World Wide Web.

Career Mart

www.careermart.com/main.html This site contains job listings along with company profiles and job fair information.

Career Mosaic

www.careermosaic.com A job search engine that contains job listings, both domestic and international, and company profiles. The site also provides on-line employment counseling and allows users to add resumes to the site.

Career Path

www.careerpath.com Job listings and help wanted ads from across the country.

CareerCity Job Database

www.adamsonline.com A job listing site for professional, technical, and managerial positions.

Execunet

www.clickit.com/touch/execunet/execunet.htm A career management information service and career advancement networking organization exclusively for executives and senior professionals.

Federal Job Listings

www.usajobs.opm.gov This Office of Personnel Management Web site contains job and employment information for the federal government.

Federal Job Opportunities Board

Use modem to dial (912-757-3100) A bulletin board of job opportunities in federal agencies.

FRS: Federal Jobs Central

www.fedjobs.com A federal job listing site which also contains tools for resume writing and other how-to resources.

Global Commerce and Information, Inc.

www.global-com-info.com/openings.html This site contains job listings for California, Delaware, the District of Columbia, Hawaii, Maryland, Michigan, North Carolina, Ohio and Virginia.

Heart/Career Connections

www.career.com/HCC/hcc.html This site provides job listings from across the country. It also connects job-seekers and employers via virtual job fairs where they can carry on real-time private conversations from their home, office, or school.

Jobs and Careers Online

jobscareers.com/jobs This site contains job listings by job category.

OPM Mainstreet

Use modem to dial (202-606-4800) A bulletin board of federal job information.

Planning Your Future--A Federal Employee's Survival Guide

www.safetynet.doleta.gov This site shares information about career transition, federal and nonfederal employment, retirement, buyouts, reductions in force, benefits, and transitional tools.

The Virtual Press--Job Information (U.S. Federal Government and State Jobs)

tvp.com/jfedgov.html This site contains job listings for federal and state governments.

Virtual Resume

www.virtualresume.com Visitors to this site can add resumes for employers to search and review for employment. The site also features tools and resources to assist in writing resumes and cover letters.

Washington State Job Search

www.wa.gov/dop/mapforsuccess/mapintro.html This site, maintained by the Washington State Department of Personnel, provides career transition assistance covering financial management, resume skills, interview techniques, etc.

Career Transition Companies**IntelliMatch**

www.intellimatch.com/iseek/ IntelliMatch connects job-seekers and employers. The site also contains employer profiles and career management and resume-writing tools.

Transition Management Group/Outplacement International

www.meer.net/users/tmg/ A transition management group that provides consultant services to help companies and employees maintain productivity, morale, and career growth in times of change.

Appendix B:

Training Available to Federal Managers

The training opportunities listed here are available at:
U.S. Department of Agriculture Graduate School
600 Maryland Avenue, SW, Room 122
Washington, DC 20024
Phone: 202-690-4280
Internet: www.grad.usda.gov

For more information on training opportunities, contact:

- Your training office and your career resources center
- The Metropolitan Area Reemployment Center
800 North Capitol Street, NW, Suite 660
Washington, DC 20002
Phone: 202-565-6672
- Office of Personnel Management
Workforce Restructuring Office
1900 E Street, NW
Washington, DC 20415
Phone: 202-606-0960
Internet: www.opm.gov
Mainstreet dial-in modem: 202-606-4800

Also, many business schools and private companies offer relevant courses.

Alternative Dispute Resolution

This seminar introduces alternative methods of dispute resolution in the federal sector. It provides an overview of the legal and procedural requirements under various laws, including Executive Order 12871 which mandates alternative dispute resolution.

Audience: Management and union officials who may be involved with some form of dispute resolution

Cost: Approximately \$275

Length: 2 days

Coping With Stress

Stress-related anxiety and ailments not only can sabotage the best efforts to be productive, but can lead to early burnout. Participants will learn how to improve their quality of life by learning how to recognize stress signals early and to develop strategies for coping with, reducing, or eliminating the effects of the stress signals.

Audience: All employees, especially supervisors and managers

Cost: Approximately \$400

Length: 3 days

Delegation Skills

This workshop focuses on the how to's of delegating work assignments, the nuts and bolts of delegation, and how to handle the fear in deciding what to delegate and to whom.

Audience: All supervisory and managerial personnel

Cost: Approximately \$350 *Length:* 2 days

Effective Leadership Seminar

The role of a manager is expanding and becoming increasingly important in dealing with the complex challenges facing organizations today. To be successful, one must rely on leadership skills. This seminar examines concepts, techniques, and skills of leadership with an emphasis on the practical applications of leadership on the job. Participants will learn how to develop alternatives for the most difficult management problems.

Audience: Supervisors and managers through grade GS-15 and those with high potential for such positions

Cost: Approximately \$465 Length: 3 days

Interpersonal Communication

It is a recognized fact that to truly succeed one must be able to work with others. This course will help participants analyze how they relate to others and how others relate to them; how they regard themselves and how to encourage and build positive self-esteem; how they respond to various situations; and how to promote a harmonious work environment.

Audience: Employees who want to increase self-awareness and effectiveness in interpersonal relationships

Cost: Approximately \$400

Length: 3 days

Introduction to Supervision

This skill-building course enables employees to make the transition from worker to supervisor with confidence and competence. Emphasis will be on management competencies most needed by government supervisors. Participants will learn the fundamentals of leadership, team building, and conflict management.

Audience: New supervisors and work leaders or persons about to assume supervisory or lead positions

Cost: Approximately \$580

Length: 5 days

Leadership: Change, Challenge, and Empowerment

Rarely have experienced government supervisors and team leaders faced so many challenges. Organizations are downsizing, reorganizing, delaying, and reengineering. Resources are shrinking, yet workloads are expanding. Leading employees and work teams through these complicated times requires an in-depth understanding of the dynamics of change and employee empowerment. Participants will learn to deal with these changes.

Audience: Experienced supervisors and team leaders who have an understanding of fundamental supervisory concepts and skills

Cost: Approximately \$400

Length: 3 days

Leadership in a Changing Government/Military Environment

This seminar prepares participants to meet today's challenges and beyond. It presents concepts and principles required to successfully lead today's diverse workforce while helping improve their leadership style to obtain maximum performance and support.

Audience: Managers, supervisors, and team leaders with overall accountability and responsibility for successfully achieving a unit's or department's goals and objectives during times of decreased funding and personnel

Cost: Approximately \$400

Length: 3 days

Organizational Study and Design

Participants will learn practical concepts, principles, and techniques for planning and designing organizations; and how to design new organizations and streamline existing ones.

Audience: Program and management analysts, personnel specialists, supervisory program and management analysts, management auditors, and others who study and design organizational structures

Cost: Approximately \$650

Length: 5 days

Reengineering in the Public Sector

The National Performance Review challenges federal agencies to make quantum leaps in their performance through four ambitious goals: cutting red tape, putting customers first, empowering employees to get results, and cutting back to basics. This course provides the skills and knowledge to apply reengineering tools in participants' agencies/organizations.

Audience: Supervisors, managers, and key personnel involved in reengineering

Cost: Approximately \$300

Length: 2 days

Situational Management: Contingency Models and Applications

This seminar offers a comparison of contemporary models of management styles. Participants will be involved in the determination of their own styles--primary and secondary--and the effective use of their styles given particular situations. In this time of complex organizational issues, it is important that all supervisors, managers, and executives optimize their management skills directed at achieving agency goals and objectives.

Audience: All pre-supervisors, supervisors, managers, executives, and professionals

Cost: Approximately \$395

Length: 3 days

Strategic Planning

This course provides a knowledge of the strategic planning process consistent with the guidance set out in the Government Performance and Results Act and the goals of the National Performance Review.

Audience: Supervisors, managers, analytic staff

Cost: Approximately \$350

Length: 2 days

Strategic Planning for a Customer-Focused Government

This workshop enables senior managers to anticipate forces--downsizing, deregulation, decentralized decisionmaking, budget reductions--that are likely to influence their missions, resources, and operations in the future. Participants will learn specific techniques to integrate quality improvement and strategic planning to ensure creative and balanced responses to rapidly changing economic, social, and political environments.

Prerequisite: Current Quality Issues and Concepts

Audience: Senior managers and managers who are responsible for complying with the Government Performance and Results Act

Cost: Approximately \$400

Length: 2 days

Strategic Planning: GPRA- and NPR-Based

Strategic planning helps put organizations back on the mission achievement track. With the opportunity to step back and analyze their situations and needs, managers and executives will discuss formulation and implementation of goals for their organizations.

Audience: Managers and others concerned with organizational planning

Cost: Approximately \$395

Length: 2 days

Time Management

Managing one's time is critical to professional and personal success. This course will provide techniques for analyzing time usage, establishing priorities, and developing plans for improvement, thereby enabling the accomplishment of more real work each day.

Audience: Employees who want to plan their time more effectively Cost: Approximately \$300

Length: 2 days

Appendix C:

Government Resources

This appendix lists useful federal publications and other resources on downsizing and related topics for organizations seeking to improve their downsizing processes.

Publications

Adjusting to the Drawdown. Department of Defense, Defense Conversion Commission, Technical Report, 1992.

Career Transition: A Resource Guide. Office of Personnel Management.

Career Transition Handbook for the Washington, DC, Area. Office of Personnel Management.

Closing Your Base. Department of the Air Force, Air War College, 1993.

Costs/Savings Models of Selected Downsizing Tools. Office of Personnel Management.

The Daily Buyout: Current Developments in Federal Downsizing. Office of Personnel Management.

The Downsizing of an Army Organization: An Investigation of Downsizing Strategies, Processes, and Outcomes. Department of the Army Research Institute for the Behavioral and Social Sciences, 1994.

Early Retirement Under the Civil Service Retirement System. Office of Personnel Management.

The Employee's Guide to Buyouts. Office of Personnel Management.

The Employee's Guide to Career Transition. Office of Personnel Management, Workforce Restructuring Office, 1996.

The Employee's Guide to Reduction in Force Procedures. Office of Personnel Management.

The Employee's Guide to RIF Separation Benefits. Office of Personnel Management.

Federal Downsizing--Better Workforce and Strategic Planning Could Have Made Buyouts More Effective. General Accounting Office, GAO/GGD-96-62, 1996.

Guide to Responsible Restructuring. Department of Labor, Office of the American Workplace, 1995.

Interagency Placement Program. Office of Personnel Management.

Interagency Placement Program: Registration Instructions and Forms. Office of Personnel Management.

A Meta-Analytic Study of Downsizing: Behaviors and Attitudes Prevalent Among Survivors (Thesis). Department of the Air Force Air University, Air Force Institute of Technology, 1994.

New Directions: Improving Transition Assistance for Federal Employees Affected by Downsizing. Office of Personnel Management.

Organizational Downsizing: Individual and Organizational Implications and Recommendations for Action. Department of the Army Research Institute for the Behavioral and Social Sciences, 1991.

Reduction in Force Planning: A Practical Guide and Checklist. Office of Personnel Management.

Restructuring Information Handbook. Office of Personnel Management.

RIF Avoidance Strategies and Tools. Office of Personnel Management.

Voluntary Early Retirement Guidelines (FY 96). Office of Personnel Management.

Workforce Reductions--Downsizing Strategies Used in Selected Organizations. General Accounting Office, GAO/GGD-95-54, 1995.

Other Resources

Interagency Career Transition Assistance Plan.

Under the Interagency Career Transition Assistance Plan implemented February 1996, federal agencies are required to select a well-qualified displaced employee from another agency who applies for a vacant position in the commuting area before selecting any other candidate from outside the agency. This program allows for active participation by employees because they target specific positions for which they are qualified and in which they are interested and then apply directly to the appropriate agency.

Metro Area Reemployment Center.

Recently opened in the District of Columbia, the Metro Area Reemployment Center is intended as a model for providing career transition services to federal employees nationwide. The goal of the center--a joint venture of the governments of Maryland, Virginia, Washington, D.C., and the Interagency Advisory Group of Federal Personnel Directors--is to ensure that federal employees in the area receive the same level of career transition services, regardless of their employing agency. Funding was provided by the Department of Labor through the Job Training Partnership Act. Services provided include:

- resume and job application preparation,
- on-line job search and software services,
- transition counseling,
- retirement and financial planning,
- career transition library,
- self-assessment tools, and
- workshops and seminars.

Center clients are federal employees with a Certificate of Expected Separation or a Reduction in Force notice and federal contract employees with equivalent notices. The Center augments--but does not replace--services provided by individual agencies through their career transition centers.

Reemployment Priority Lists.

Within the federal government, agencies maintain Reemployment Priority Lists which provide priority consideration for hiring "RIFed" employees over other outside applicants for open positions. This program is maintained locally on a commuting area basis.

Appendix D:

Agency Contacts and Other Sources

Many individuals and organizations can provide valuable assistance as you and your organization move forward in improving your downsizing process. Listed below are phone numbers, addresses, and e-mail locators (where available) for the organizations represented in this study and some other helpful points of contact.

Benchmarking Study Team

Department of Commerce
Loren Casement
Phone: 202-482-1580
E-mail: lcaseme1@doc.gov

Department of Defense
Office of the Undersecretary of Defense (Comptroller)
Ron Massengill
Phone: 703-697-1196
E-mail: massengr@ousdc.osd.mil

Department of Defense
Civilian Assistance and Re-Employment (CARE) Division
Philip Demarais
Phone: 703-696-1799
E-mail: philip.demarais@cpms.osd.mil

Department of Defense
Office of Economic Adjustment
Robert Warren
Phone: 703-604-2400
E-mail: warrenrj@acq.osd.mil

Department of Defense
Office of Assistant Secretary of Defense (Force
Management Policy) Community Support Policy
James Ellis
Phone: 703-614-3260
E-mail: ellisj@pr.osd.mil

Department of Education
David Murray
Phone: 202-401-8545
E-mail: david_murray@ed.gov

Department of Energy
Girtha Burks
Phone: 202-586-5284
E-mail: girtha.burks@hq.doe.gov

Department of Energy
Office of Worker Transition
Lewis Waters
Phone: 202-586-4010
E-mail: lewis.waters@hq.doe.gov

Department of Labor
Linda Nivens
Phone: 202-219-7357
E-mail: lnivens@dol.gov

Internal Revenue Service
Susan Lehotsky
Phone: 202-874-6411
E-mail: susan.lehotsky@ccgate.hq.irs.gov

National Aeronautics and Space Administration
Craig Conlin
Office of Human Resources and Education
Phone: 202-358-1180
E-mail: craig.conlin@hq.nasa.gov

Social Security Administration
Maynard Malabey
Phone: 410-965-1452
E-mail: maynard.malabey@s3abc8.ssa.gov

Social Security Administration
Lette Weinrich
Phone: 410-966-8235
E-mail: lette.weinrich@s3abc8.ssa.gov

Department of Veterans Affairs
Robert Page
Phone: 202-273-5137
E-mail: pagebob@mail.va.gov

Other Sources

National Performance Review
Wilett Bunton
Phone: 202-632-0150
Internet: www.va.gov/fedsbest/index.htm